

► Nearly 500,000 people live within 8 miles of the intersection of Highway 6 and U.S. 59 in Sugar Land. The area is rich with diversity, activity and prosperity with a household income of more than \$75,000 in nearly one out of every two households. Fort Bend County also boasts the highest percentage of citizens with graduate degrees, the highest percentage with bachelor degrees and the highest percentage with some college education.

► Life in Fort Bend County is sought after as the county experiences phenomenal growth.

Eighteen master-planned residential communities feature recreational amenities and excellent schools. The economic base is solid with a 51% employment growth from 1990-1999.

SO WHAT'S MISSING FROM THIS AREA THAT HAS EVERYTHING?

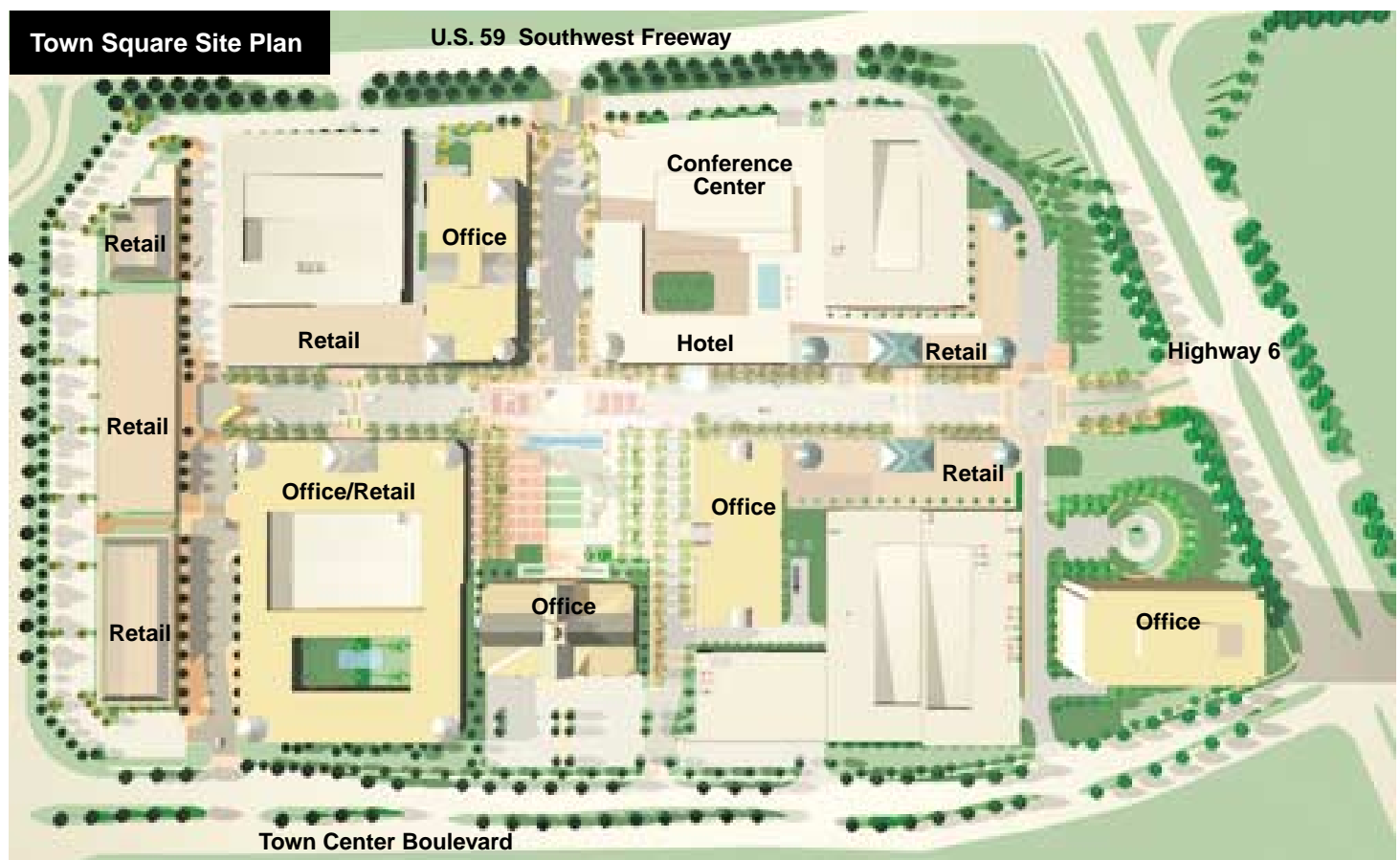
A hub, a heartbeat, an epicenter where the community can gather to shop, eat and attend events. A business center

surrounded by supporting activities. A hotel and conference center where families can host wedding receptions and businesses can host meetings to accomplish international objectives. A lifestyle center

where community and commerce can come together. *Sugar Land Town Square.*

THE LIFESTYLE CENTER MODEL: A TIME-PROVEN CONCEPT

Measuring the successes of other lifestyle





centers across the country, Sugarland Properties, the developer of First Colony, the county's largest and most mature master-planned community, decided that this activity hub was central to completing the vision of the master plan. It's a concept that has been enormously successful in other areas. Reston, Virginia, being one.

In Reston, a community of similar size and demographics, Reston Town Center is a relaxed but thriving area featuring a central fountain and pavilion, some of the nation's most successful retailers and businesses, and a first class hotel and conference center. Daytime brings offices into full swing with sidewalks filled with

professionals, visitors and shoppers. As the workday comes to a close, families meet for dinner, shopping and a movie. Every day brings visitors for business and pleasure. The center is booked with concerts and community activities. Local charities host galas, fundraisers and events.

Clyde's of Reston is one of the nation's most successful privately owned restaurant companies.

"This is the busiest one in our group. It's definitely a credit to the town center concept," says Steve Harper, manager of Clyde's. "It's location, location, location in our business. When people leave work here, they often meet for dinner and to shop, take in a movie or concert or stroll the streets."

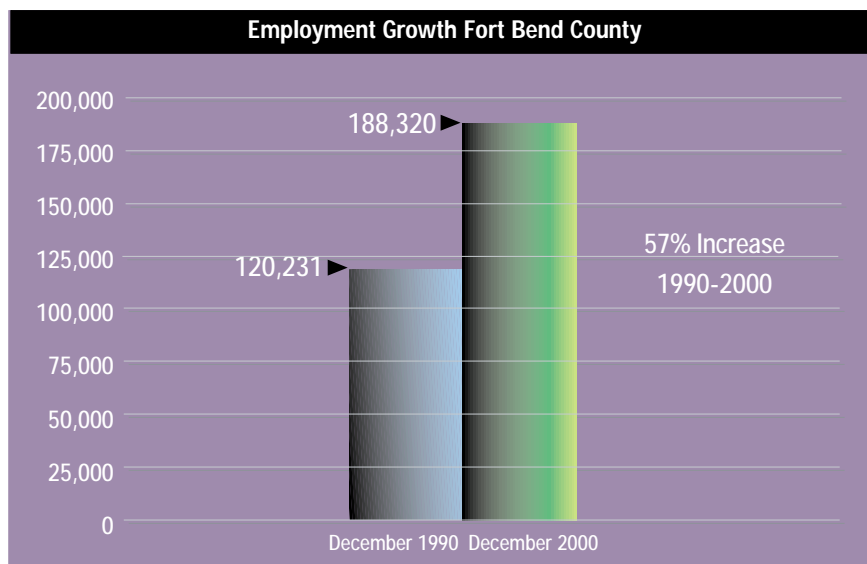
Town Center Comparison					
Location	Population 5 Mile Ring	Population 8 Mile Ring	Average HH Income 5 Mile Ring	Average HH Income 8 Mile Ring	% Households with Income > \$75,000 5 Mile Ring
Sugar Land Town Square <i>Sugar Land, Texas</i>	169,850	461,440	\$100,537	\$73,177	48%
Southlake Town Square <i>Southlake, Texas</i>	93,708	311,621	\$113,157	\$86,456	53.6%
Reston Town Center <i>Reston, Virginia</i>	210,864	429,926	\$107,401	\$108,351	56.9%
Easton Town Center <i>Columbus, Ohio</i>	218,878	522,908	\$50,987	\$48,548	18.1%
Sources: Postal Route Population: United States Postal Service 2000 Average HH Income and % of Households with Income over \$75,000: 2000 CACI					

The demographics of the area certainly support the need for Sugar Land Town Square.

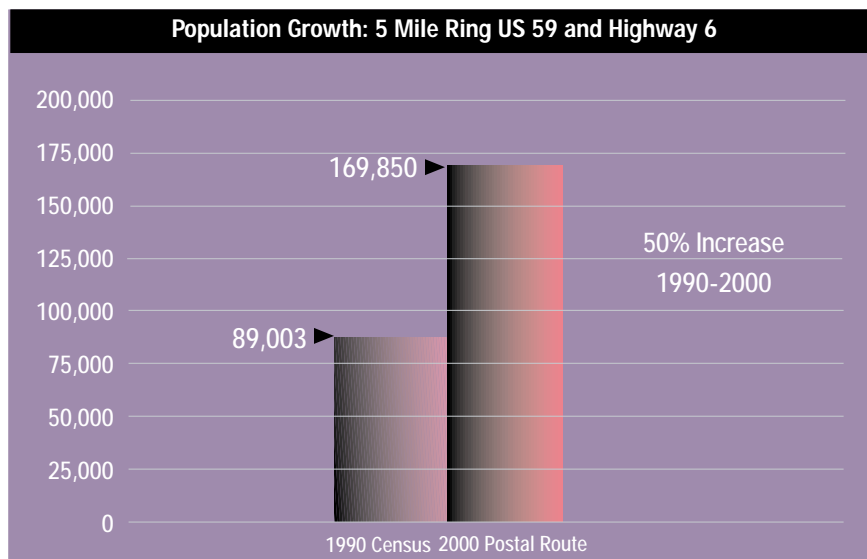
Only 19 miles from the central business district of the fourth largest city in America,

Sugar Land Town Square will bring forward several elements within one 32-acre package that don't exist together anywhere else in the region:

► **Main Street Retailing.** A pedestrian-oriented, “main street” city center, and a central business district that is within walking distance of stores, services, restaurants, sidewalk cafes, entertainment and the hotel and conference center.



Source: Texas Comptroller of Public Accounts



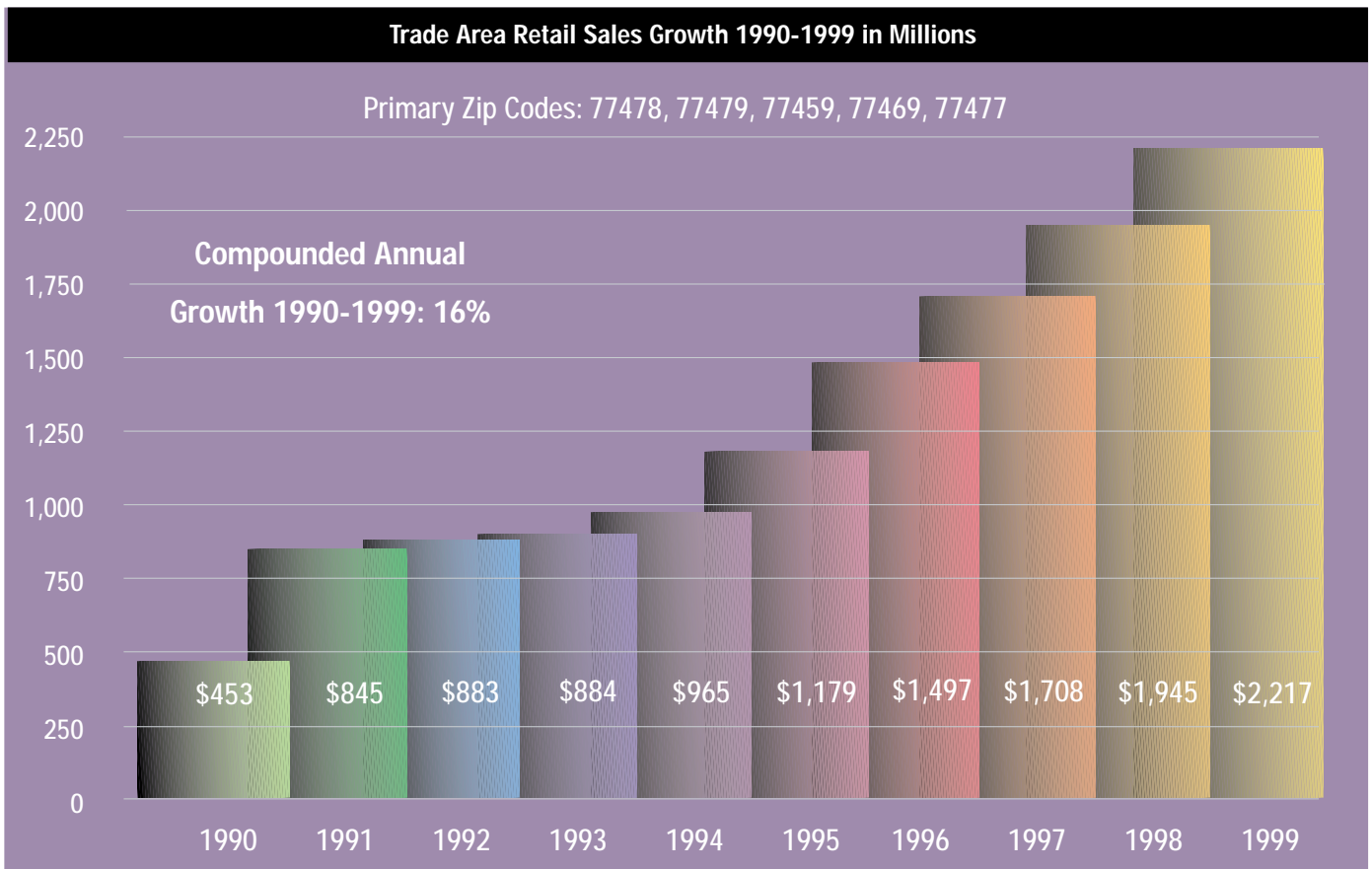
Source: Claritas and US Postal Service 2000

► **A true community gathering place.**

A place where festivals and important events will take place. The centerpiece of Sugar Land Town Square: a large and active plaza.

► **A class A office environment.**

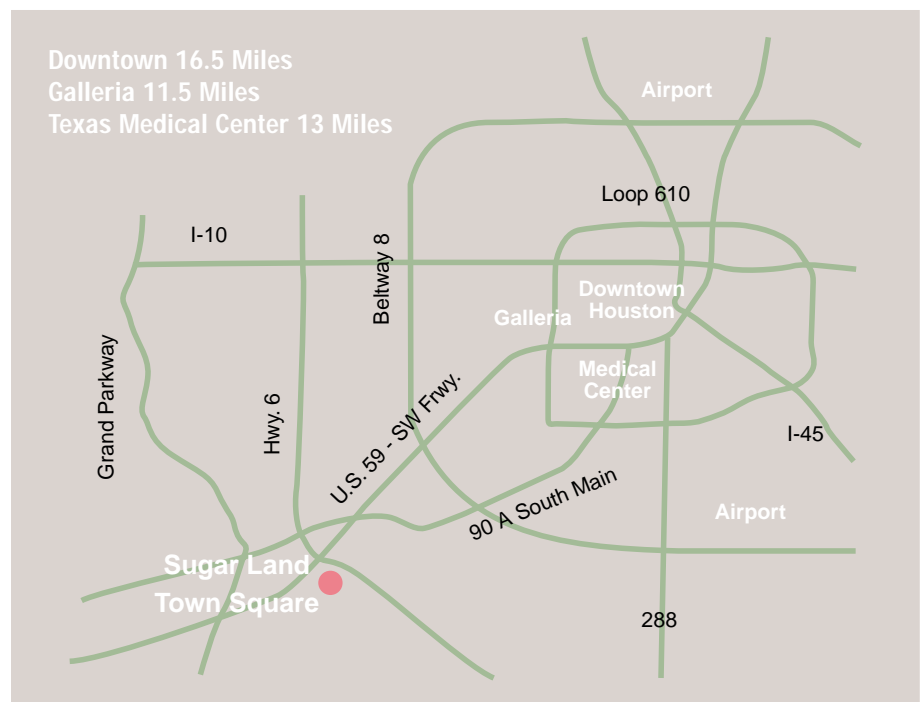
A professional place to showcase a company where the technology and access to function efficiently is surrounded by an inviting mix of conveniences that make doing business a pleasure. A place that enables employers to attract and retain the best employees.



Source: Texas Comptroller of Public Accounts

As the area grows, it is critical to plan for a growing and maturing community. Development will occur. It's the kind of development that's critical to the future. Making sure that quality of life issues are addressed is an important commitment. Securing the future by making sure that the activities of its residents and businesses are accommodated is essential.

That's why Sugar Land Town Square is appealing and has been embraced by the city, the county and the people who live and work here.

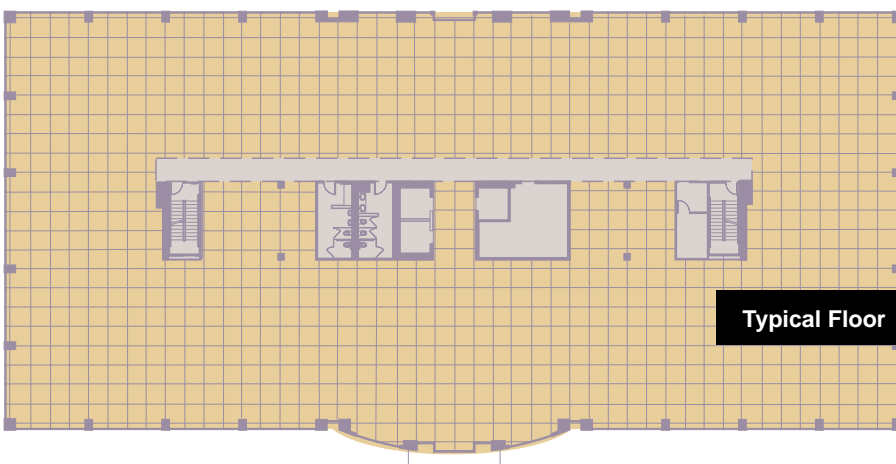


Enticing professionals to work for your company can be challenging. To draw and retain a top-notch workforce, a company must provide a productive and enticing environment.

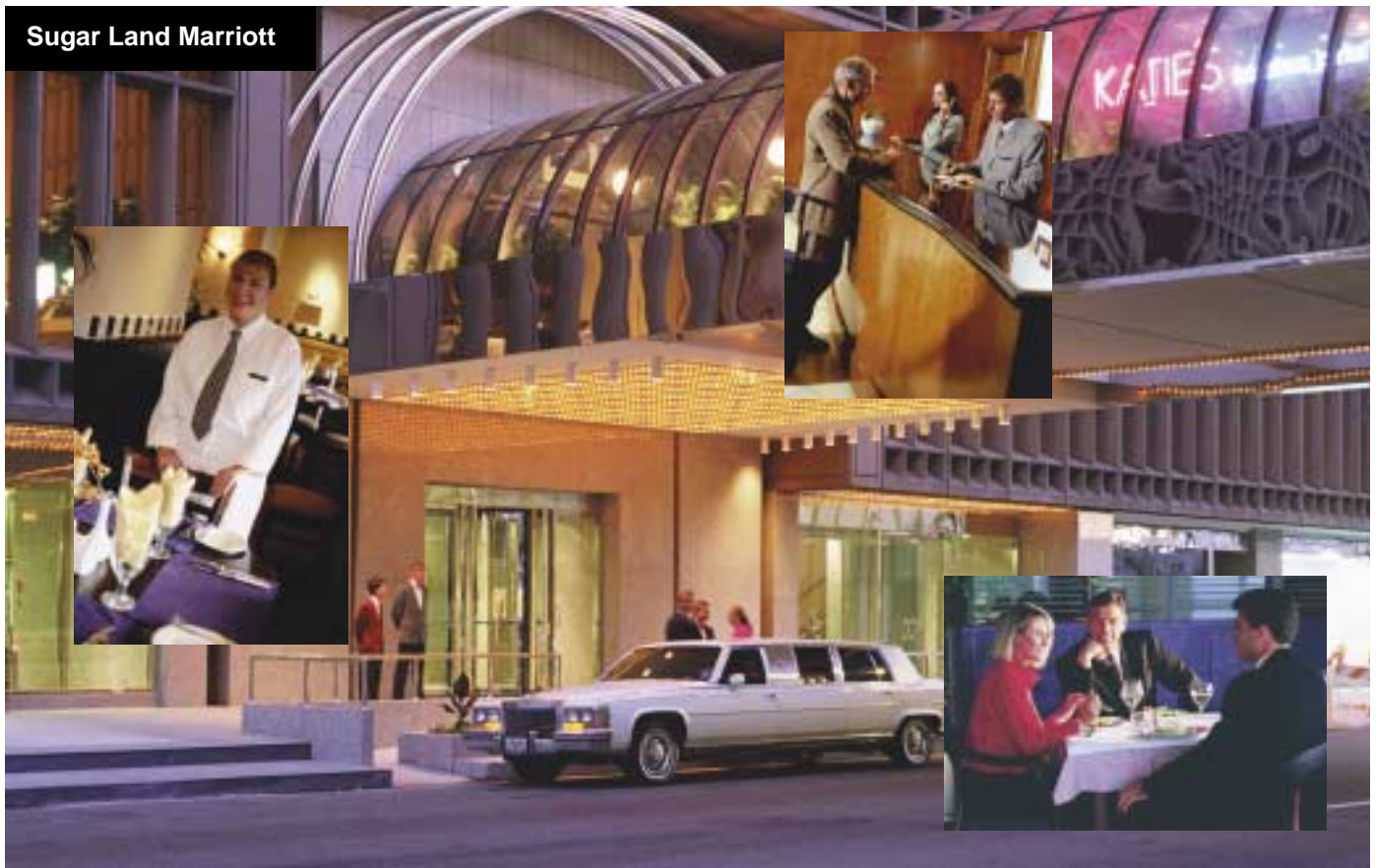
► **Business can't thrive without a top-notch workforce and the supporting elements of commerce.**

Being in the heart of activity, in a Class A environment, where meeting space, restaurants and other supporting businesses are a few steps away can make the difference. Sugar Land Town Square offers everything that workers want. **It is now leasing.**

Phase I of Sugar Land Town Square includes a 6-story, 150,000 square-foot office building



- OFFICE:** 750,000 square feet of Class A space
- HOTEL:** 300 room, full-service Marriott with Houston's third largest ballroom
- CONFERENCE CENTER:** 55,000 square-foot conference center
- RETAIL:** 200,000 square feet of stores on three pedestrian-focused streets
- RESTAURANTS:** Sidewalk cafes to formal dining
- ACCESS:** Easy ingress and egress from Highway 6 and US 59
- PARKING:** Structured parking
- SECURITY:** 24-hour roving security, monitored call boxes



- “The plans for a full service hotel property and conference center for Sugar Land Town Square address a critically important and missing component in the growth and potential for our community. This development will be the catalyst for our ability to meet the needs of residents, organizations and businesses, and it will have a tremendous economic impact on the community as we establish ourselves as a destination for the lucrative convention and conference business.”

*Louis Garvin
President and CEO, Fort Bend Chamber of Commerce*

CONFERENCES EDUCATIONAL FORUMS CONVENTIONS CHARITY GALAS RECEPTIONS

Enter Stormont Hospitality Group, LLC., a hotel developer from Atlanta. Working in partnership with the City of Sugar Land and Sugarland Properties Incorporated, a plan is in the works. And the plan calls for a 300 room full-service Marriott with Houston's third largest ballroom. A 55,000 square foot conference center

filled with technological amenities will allow businesses, big and small, the option of hosting out of town associates, conferences and meetings here. Stormont Hospitality Group, LLC. develops successful hotel and conference center properties across the country including the Norfolk Waterside Marriott,

Hyatt Regency in Wichita, Kansas, and the Atlanta Marriott Gwinnett Place in Atlanta. The company specializes in development through partnerships with municipalities and universities. Their experience is particularly well-suited for a successful development in Sugar Land Town Square.



Extensive research and over 150 years of development experience have gone into the Sugar Land Town Square master plan. This community epicenter will carry forth the successful infrastructure planning that has made First Colony, the surrounding 9,700-acre master plan, a model mixed-use development.

- 1 The 1.4 acre plaza has been designed to be an extraordinary gathering place marked with quality finishes and focal points, and ever changing sights and sounds.



2 Granite insets form a map of the original Texas land grants along the Brazos River in Fort Bend County. The river is engraved with historical text that brings to life the history of Sugar Land and Fort Bend County for visitors of all ages to enjoy.

3 Abundant shade trees and benches will provide inviting areas to relax and people watch during coffee and shopping breaks.

4 A 125-foot-wide fountain will create a dramatic centerpiece of sound and motion.

5 A grassy, gathering area is ideal for bringing families together for community events and concerts.

The result will be a synergistic blend of activity that will attract people from early in the morning until late at night.

With income levels that support targeted main street retail, Sugar Land Town Square will draw a new mix of retailers who will fulfill the requests of area residents looking for unique additions to their fashion, recreation, home, leisure, health and beauty pursuits.

- **Because this is a diverse, prosperous population, quality is key. Retailers with unique concepts will be extremely well received. For retailers, it will be a successful location.**

For nearly 500,000 area residents and visitors, it will be a destination place.

Sugar Land Town Square



"It has been great to have a location in Fort Bend. This store pulls business from all across Southwest Houston, as well as Friendswood, Pearland, Katy and Victoria. Our store's sales have been on a constant increase since our opening in July of 2000."

*David Klaber, Store Manager
Bassett Furniture Direct*

"Sales have been more than meeting expectations on both a monthly and yearly basis. This is why this store won the 2000 Furniture Store of the Year Award from the Furniture and Retail Association."

*Don Harding, Store Manager
Finger Furniture*

Garden Ridge



"When we opened in 1998, Fort Bend County was the fastest growing county in the United States. Since then, Sugar Land has been very good to us. We never dreamed that we would have such a successful business."

*Megan Farrar, Co-Owner
Sarah McMeans, Co-Owner
Magpies*

"Our sales have substantially increased in the short time since we moved from the U.S. 59 location near Kirkwood."

*Jane Arbuthnot, Chief Financial Officer
Garden Ridge*

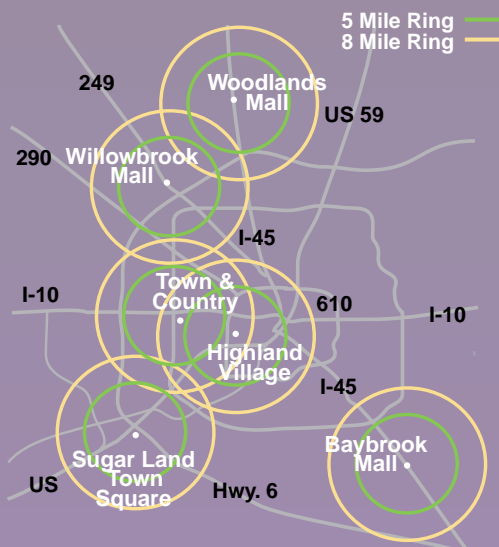
Tweeter



"We moved in November 2000 to this location in the heart of First Colony. During the first month we almost quadrupled our sales. The presence we have is second to none and our location is one of the reasons for the increased traffic. Every person that I bring in from out-of-town comments on the well-kept community. We could not be more pleased with the business we receive in this area." *Mark Harris, Regional Manager, Tweeter*

Demographic Comparisons: Sugar Land Town Square vs. Other Houston Area Retail Developments

Location	Population <i>In Thousands</i>		Average Household Income <i>In Thousands</i>		
	5 Mile	8 Mile	5 Mile	8 Mile	% > \$75K 5 mi.
Sugar Land Town Square	170	461	\$101	\$73	48%
Woodlands Mall	90	169	\$90	\$85	42.5%
Willowbrook Mall	248	489	\$78	\$71	35%
Baybrook Mall	165	330	\$76	\$74	34.9%
Highland Village	455	1,136	\$73	\$60	22.8%
Town & Country	384	902	\$79	\$64	28.3%



SOURCES Postal Route Population: United States Postal Service 2000 / Average HH Income and % of Households with Income over \$75,000: 2000 CACI

Super Target / Town Center Lakeside

“Our grand opening was a great success. Super Target is extremely excited to be in Fort Bend County. We had a great turnout and we are exceeding our sales expectations. The response from the community has been outstanding.”

Monica Lorenz, Super Target



RETAIL

Town Center Lakeside in Growth Mode with Opening of Super Target

Town Center Lakeside is a 43-acre retail center at the southwest corner of Hwy. 6 and U.S. 59 in First Colony. For the past 18 months, the area has been a buzz of construction activity as a 175,000-square

foot **Super Target** has been built. This project includes 20 acres of pad sites for sale or lease and approximately 55,000 square feet of leasable retail. Many notable new names have located here including **Jared Jewelers** who purchased a site at Highway 6 and Kensington Blvd. and constructed its fourth location in the Houston market. Jared Jewelers is owned

by nationwide Sterling Jewelers Inc. of Akron, Ohio. Others in Town Center Lakeside include **Beck's Prime** and **Houston Federal Credit Union**.

Brazos Valley Credit Union recently expanded their ability to serve Fort Bend area customers at their Soldier's Field Court location by adding a six-lane drive through facility.

PLANNED COMMUNITY
DEVELOPERS ESTABLISHES
PATTERN FOR SUCCESS

Planned Community Developers, LLC. (PCD) is a company formed by the principals of Sugarland Properties. With nearly 20 years of experience in mixed-use development, these seasoned professionals formed PCD to continue to create development success stories like First Colony. PCD has a management contract with Sugarland Properties to continue the development of First Colony through its completion and has additionally started work on other projects.

Kingwood Commons



Kingwood Commons is one such project. This retail development is located northeast of Houston, in Kingwood - a 10,000-acre master-planned mixed-use

development. Kingwood Commons Phase I has been completed and Phase II is now leasing and luring retailers such as **Talbots, Chico's and Ann Taylor.**

Exxon The master-planned concept creates opportunities for unique approaches to traditional structures.



Applied Optoelectronics



SUGAR LAND BUSINESS PARK

Applied Optoelectronics, Inc. purchased a 3.4-acre site in Sugar Land Business Park for its headquarters. The new 24,000 square-foot-building houses their administrative, laboratory and production facilities. Applied Optoelectronics, Inc. is a spin-off company from the Space Vacuum Epitaxy Center at the University of Houston, a NASA-sponsored Commercial Space Center focused on technology development and commercialization.

Sabic Americas, Inc. (SABIC) opened a satellite Technology Center in Sugar Land Business Park. SABIC is a large, global chemical company with annual sales

of about six billion dollars. The mission of the technology center is front-end research on catalytic processes.

Continental Poly Bag relocated the company's operations from south Houston to a location on Industrial Boulevard in

Sugar Land Business Park.

One of two Houston area facilities being operated by **Cross Country Automotive** opened recently in Sugar Land Business Park. The site was selected because of the area's demographics.

Sabic Americas



OFFICE

In 1997, Sugarland Properties built the first spec office building to be constructed in Houston in ten years: The Offices at Kensington. In 1998 Phase II was completed bringing the total square footage to 170,000.

"It is a blessing for us to work so close to our homes, and our clients love coming out against the traffic as opposed to meeting downtown. The service from Sugarland Properties for The Offices at Kensington has been outstanding. They have really taken care of us."

*Charles Onstead, Partner
Onstead Polvado Capital Investments, L.P.*

MEDICAL

Methodist Health Care System is currently undergoing a significant expansion that includes the labor and delivery area, nursery capabilities and construction of an eight-bed intensive care unit.

"Methodist expanded to First Colony, in part, because it is one of the fastest growing communities in the nation. As this community continues to grow, we are committed to grow with it. Our expansion demonstrates that we are responding to the needs of this vibrant community."

Brenita Crawford, Executive Vice President Network Development, Methodist Health Care System

ABOUT THE DEVELOPER

Sugarland Properties Incorporated

is the developer of the 9,700-acre First Colony master-planned community in Sugar Land, Texas, southwest of Houston.

In addition to community master-planning and residential development, Sugarland Properties has recently completed more than 430,000 square feet of office and industrial buildings and 1.5 million square feet of neighborhood retail and power centers.

RETIREMENT

The Terrace at First Colony opened in November of 2000. This retirement and senior living community leased 40% of the 272 units in the first six months offering first class services and amenities for seniors.

The Terrace at First Colony

